President's News Conference on Foreign and Domestic Matters

transcript of President Reagan's news conference last night ecorded by The New York Times:

OPENING STATEMENT

Ladies and gentlemen I have a bird recovery has been sighted, but its called statement here. Nine days ago, on the tense of the Captiol, I delivered a mericans. Back-to-back decades mericans. Back-to-back decades of the caption of the control of

armings, and weakende very family and the second of the se the future.

The American people understand that we need fundamental reform— reform that goes beyond promises and gives them real protection for their earnings. They want this Government to draw the line and to pass, without

QUESTIONS AND ANSWERS

er day when a major bank in

Status of Pipeline Ban

Q. Mg. President. Chancellor Schmidt says that the allies, the Western allies, are united against your barners and are going abend with it anyway. Since you seem to be about to make a pew deal with the Soviets on grain and are going abend with it anyway. Since you seem to be about to make a pew deal with the Soviets on grain and the same and

Park A Class

Publicity for Amendment

Q. Mr. President with the somber nature of this economic report and with bad news continuing to come in our inflation, which had been until result had

The Middle East

Q. Mr. President, I would like to stay with foreign policy but turn to the Middle East, and I wondered what effect you believe the constant, days in the president of the presid

Letters by Watt

sed back a couple of years ago by the reviews of administration with regard of the Afghanistan invasion. It didn't intrust the Soviet Union but it was a terrible economic blow to our farmers. The economic blow to our farmers are the economic blow to our farmers. The economic blow to our farmers with the grain our farmers. The economic blow to farmer the economic farmers with the economic farmers and they're not of flash in the Soviet Union the economic farmers. Now, we think that these are two say important differences with the economic flash our flash that the economic flash our flash in the Middle, East, if we will be announcing our position with regard to grain, in case the foreign policy of the Administration of the economic flash our flash



President Reagan arriving for his news session at the White House.

phrasing it, was the result of a converphrasing it, was the result of a conversation with Ambassador Arens, a
lengthy discussion of this subject at a
social gathering the night before And,
as many of us do, you go home and you
made and he made them.
What he was suggesting, with regard to the danger to Israel, was our
vulnerability as long as we are dependent on oil, energy, from insecuse
was cost and that if there should be as a
second of the second of the second of the
histountry and the wheels in industry, we wouldn't be much of an ally to
our friends, and that would certainly
and he was making it very plain
that we are morally obligated to the
support of Israel, Now, he has made a
speech to a group in New York — I be
it in the property of the second of the stands
that his audience was most enthusiastic and supportive of what he had to
say.

His letter to the Congressmen: I

tic and supportive of what he had to say.

His letter to the Congressment: His letter to the Congressment that some of those who've warmed the scample that some of those who've whave also been the — had the most objections to us trying to improve our energy situation. And what he was pointing out is where would the Western would be if someday our source of some of the way to be a some of

So this was his dramatic statement about the other. But I think he's also expressed the wish that he'd had second thoughts.

Gary.

Plans for the Far East

Q. Mr. President, what role do you envision for mainland China in Ameri-can strategic planning in East Asia and along the Soviet border, and what are your plans for arms sales to Tai-wan.

A. We want to continue developing a resistancial that was started some resistancials that was started some resistancials that was started some resistancial that was started some time they know very well our position and it has not changed. We are not going to abandon our long-time are not going to abandon our long-time are not going to abandon with the same time that was Relations Act, and this has been made clear. We have no secret agreemance clear with the secret agreemance clear with the secret agreemance clear was a secret agreemance clear with the secret agreemance clear was a secret agreemance clear with the secret agreemance clear was a secret agreemance cl

Meeting With Brezhnev

O. Mr. President, earlier this year there was a good deal of discussion about a possible summit with Mr. Brezhnev. On one occasion you said it was "in the works." Now this issue, seems to have faded and I wondered what you anticipate in the way of a summit this year,

summit this year.

I don't know whether it's girl work in the last the same in the same in

and this led to the task of a possione summit.

A summit you know isn't the answer or the cure for everything that's wrong in the world, but it has to be carefully planned, an agenda has to be set and that begins with foreign ministers meeting. When I say that it's in the works I can only tell you that our State Department has been communicating and in communication with the Soviet Union. With regard to this there have been no positive replies or steps.

Prospect on Interest Rates
Q. Mr. President, in terms of the
conceyn in the short run, with the
borrowing in the short run, with the
borrowing in the coming months with
he figh Federal deficit, what are the
prospects that interest rates can come
own gunch further in the face of that
with the figh federal deficit, what are the
prospects that interest rates can come
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we subtaintial economic recovery in the
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that might do to the other, but in
the subtaintial that the
subtaintial that the subtaintial
that week the through the 90-bey,
notes dropped to 10.7 percent on an
average. The week before, they had
been 12 and the year before they'd

Now, we inherited interest rates of

ogen 12 and the year before they do year before they to be year before they come of 21½, the prime rate, and the prime rate is now down to 15½, And 1 just—1 believe that there is this sentiment out they and 1 think that there are the they and 1 think that there are the year between the they are the they are they are they are they are the they are they are the t

A. Just look at you over there.
You're sitting in that seat for the first
time. You ought to...
Q. Miracles do happen sir.

Lebanese Negotiations

Lebanese Negotiations

Q. Mr. President, you mentioned
earlier the sensitivity of the Lebanese
regotiations. Did you consider it
harmful to those diplomatic efforts
last week when several U.S. Congressmen met with the P.I.O. leader Arafat and do you feel Congressman McCloskey and the others were either
minipulated or used by Arafat to
make it look like there was progress.

A. Well. now, wit. I. will be con-

make it look like there was progress.

A. Well, now, you. _ I will be conscious of the separation of powers and say of course it is the right of Congressment og there if they so choose. I don't happen to believe that right now it is a good time, but I believe that the Congressment themselves and Representative McCloskey himself has said that he now believes that the paper that and so the 3 did not amount to anything and so be 3.

Outlook for the Economy

Outlook for the Economy
Q: Mr. President, you say that
we're in a transition period in terms of
the economy. When do you expect the
strong do you think it'll be and how
long do you think it'll be and how
we're talking about with the plan that
we're talking about with the plan that
we're put into effect is based on being
a more or less permanent one. All of
the previous recession shaw be been
ended by a quick firs, a ffooding or
more than the previous promoting
a more or less permanent one. All of
the previous recession shaw be
economy which resulted in high inflation but did give you a kind of a quick
fever that seemed like prosperity.
And the next recession came usually
about two years later.
We're trying to restore the econ-

about two years later.
We're trying to restore the economy. To get back to a growth economy, that will be based on solid principles. Now, it is going to be slow. And it's slow now. But, as I say, we are in that transition period. There will be some indices, economic indices, that will indice, economic indices, that will offer the transition period. There will be some into the period. The period in the per

And I think that we're going to see an improvement in the second half of this year, But I'm not going to try to project exactly what fevel it will reach and exactly what date it will reach that level. I don't think anyone can.

Q: Follow-up: Some of your previ-ous predictions have been somewhat too optimistic. What do you think about the predictions that the recov-ery will begin to taper off in the begin-ning of next week?

ery will begin to taper off in the beginning of near week?

A. I don't think that, if we stick with
A. I don't think twill. And as to
optimism, let me just say this. I think
optimism, let me just say this. I think
as the still the still the still the still the still
And if you'll recall, all last year, we
were taking about a sluggish economy that no one should expect any
knew what we were up signist end
how far we had to go. But when we
gave, had to give, figures as the law
requires, in projections and then
the still the still the still the still
ministic enough about inflation, that
we had no idea that we could bring
inflation down as quickly and as much
as we clid. And, while that was a fine
as we clid. And, while that was a fine
the portioning it, i had—it did change
our estimates about taxes, because
the Government prospers and profits
from inflation. It is a form of tax. And
so quickly, we had to alter our estimates of revenues and that changed
some of our previous prognostications.

Balanced Budget Moves

Q. The balanced budget amendment is obviously very popular with voters and especially with politicians but I wonder if you share the same sense of

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indication of interest is all. And we optimize and if at such time we know upon the control of t

us now and let's see how big the deficit will be.

But I don't feel self-conscious at all. I've have been in an economy that it was a self-conscious at all. I've have been in an economy that it was a self-conscious at all the self-conscious at all the self-conscious at a self-conscious

The U.S. and the P.L.O.

that goal.

The U.S. and the P.L.O.

Q. As you said before, and as your specimen has been eaying, P.L.O. chief Arafat has not yet met the conditions that the United States Government has set to direct talks with you flower, do you think that Mr. Arafat However, do you will change the position it has had said that is that Israel must be do and that is that Israel must be do and that is that Israel must be do and the said that is that Israel must be do you will change the position it has had said that is that Israel must be do guire is agreeing to abide by the U.N. Resolutions 242 and 333, agreeing that Israel is a nation and does have a right Israel is a nation and does have a right Israel is a nation and does have a right Israel is a nation and does have a right Israel is a nation and does have a right Israel is a nation and does have a right Israel is a nation and does have a right Israel is a nation and does have a right Israel is a nation and does have a right Israel will be a not the Israel is a nation and does have a right Israel is a nation and the said is a not the Israel is a nation and the Israel is

Economic Recovery

Economic Recovery

Q. Mr. President, you said recently
and you said again this evening that
we're entering a period of economic
recovery. My question is do you expect this period of economic recovery to
be evident to anyone bedies the
November elections, and are you concerned about the possibility of major
Republican losses this year?
A. Well, I think it should be evident
to the first time in a long time at a
rate of a percent. Heretofore while the
number of dollars a worker received
increased, he didn't really — he or she
year to be a supplied to the control of the
power. They actually went down.
They've been going down in purchasing power for some time. That is up.
Since January on an unqualized basis
may be the some time of the control
whith \$15,000 a year income would
today have a thousand dollars less
purchasting power for a year and
we've made there — the family of four
with \$15,000 a year income would
today have a thousand dollars less
purchasting power of a year increase
were in 1890. \$5,1 think there are a
number of signs and, of course, interest rates have come down, as I pointed
out. I think there are a number of
sur the proper in the proper of the proper of the
Military Budget

Military Budget

Military Budget

Military Budget

Q: Mr. President, how firmly committed are you to the military budget projections that, for 1984 and '83, that were part of the February budget projections that, for 1984 and '83, that were part of the February budget projections that, for 1984 and '83, that were part of the February budget projections that the projections are the february budget projections and the february budget projections are the february budget projections as those passed by the Congress last month?

I we what I've said is that I reserve the right to have the flexibility with regard to individual programs. Eighty-three, we've settled on that, and what the figures would be. And that the figures would be. And that the figures would be and the projected deficits and the projected deficits and the projected versal cuts and so forth. To stay within those. But I feel that I should have the flexibility, based on when that time comes to come forth with the 1984 budget, to delegate that yellow the projected projection of the transmission of the trans

Human Rights in Salvador

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Human Rights in Salvador

O. Mr. President, critics have said
that there is no progress on human
that there is no progress on human
independent of the progress of human
independent of the form. The Government there
has yet to cooperate in the investigation
of the four American missionaries
who were killed there. Can you expended
who certification, the approval for
continued military aid to El Salvador
and why people should not think
you're sending the wrong message to
which certification, the approval
of the progress of the progress of the certification
and in the next few days they will be
having witnesses, observers, who will
have the same that the salvadoran Government is
making progress in improving the
human rights stuation there.

If grant you that things—In quite
making progress in improving the
human rights stuation there.

If grant you that things—In quite
shad are going on and that are happening. The idea is are they legitimately
and in good faith making progress in
that the salvadoran Government is
had the salvadoran Government in
had that's what the testimony will be
— that they are, with regard to land
reform—yes, there was a flurry when
the new Government first took overthe new Government first took overthe one of the salvadoran control of the
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Equal Rights for Women

had it. And I have checked this out had it. And I have checked this out thoroughly. It came from (drowned horough). It came from (drowned horougher).

A. Well, Sarah, let me tell you this: Pirst of all, I don't know of any Administration.

At the control of the

ing by Brad Reynolds. And it says there's been a lot of sex harrassment of women.

It was a lot of sex harrassment of women.

Q. And I suggest that you [laughter] looked into that and you taked about it at the Gabinet meeting, [drowned out]

Now Sarah, just a minute here with the discussion or we'll be getting an R rating.

Q. I hope you'll look into it and fet us see the report. It's been waiting to get out for years.

A. No., and what we're solven about it is not that it is almed, just as I have asked 50 governors, and they have all appointed a representative to po into all the statutes they can find in their states, as we did in California when I wo.

Q. Sir that's ... that's not right. Your task force is one that was started by Jerry Ford. It was funded by Carter.

A. That's right and I have given them ...

Q. And you said in December that

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